

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1541**

January 30, 2018

**SUMMARY OF BILL:** Requires the Division of TennCare (Division), on and after July 1, 2018, to exclude behavioral health episodes from the initiative when developing or implementing any payment reform initiative involving the use of episodes of care with respect to medical assistance provided under Title 71, Chapter 5.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – The proposed legislation could result in cost savings of unknown amounts. The extent and timing of any cost savings cannot be reasonably determined for such impacts are dependent upon unknown factors.**

Assumptions:

- Based on information provided by the Division, in calendar year 2016, the Division spent \$40,400,000 on attention deficit and hyperactivity disorder (ADHD), \$3,400,000 on oppositional defiance disorder (ODD), \$6,600,000 on anxiety, and \$12,000,000 on non-emergent depression, resulting in a total health care spend of \$62,400,000 for these four behavioral health episodes.
- The performance period for Wave 4 and Wave 5 began January 2018. Wave 4 includes ADHD and ODD. Wave 5 includes anxiety and non-emergent depression. There are plans to add additional behavioral episodes in future waves.
- Previous waves did not include behavioral health episodes; therefore, there is not sufficient data to base savings on for these four behavioral health episodes.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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